

REFERENCE TITLE: tax credit; coal consumption

State of Arizona
House of Representatives
Forty-ninth Legislature
First Regular Session
2009

HB 2371

Introduced by
Representative Murphy

AN ACT

AMENDING SECTION 43-1178, ARIZONA REVISED STATUTES; RELATING TO CORPORATE INCOME TAX CREDITS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 43-1178, Arizona Revised Statutes, is amended to
3 read:

4 43-1178. Credit for taxes with respect to coal consumed in
5 generating electrical power

6 A. A credit is allowed against the taxes imposed by this title for a
7 taxpayer that purchases coal consumed in generating electrical power in this
8 state. The credit is equal to thirty per cent of the amount paid by the
9 seller or purchaser as transaction privilege or use tax with respect to the
10 coal sold to the taxpayer.

11 B. Co-owners of a business, including corporate partners in a
12 partnership, may claim only the pro rata share of the credit allowed under
13 this section based on the ownership interest. The total of the credits
14 allowed all of the owners of the business may not exceed the amount that
15 would have been allowed for a sole owner of the business.

16 C. If the allowable tax credit exceeds the taxes otherwise due under
17 this title on the claimant's income, or if there are no taxes due under this
18 title, the amount of the claim not used as an offset against income taxes may
19 be carried forward to the next five consecutive taxable years as a credit
20 against subsequent years' income tax liability.

21 D. The credit under this section is in lieu of any allowance for state
22 tax purposes for a deduction for the expenses allowed by the internal revenue
23 code.

24 E. THE DEPARTMENT SHALL INCLUDE THE FOLLOWING IN THE REPORT PRESCRIBED
25 BY SECTION 42-1005, SUBSECTION A, PARAGRAPH 4:

26 1. AN ESTIMATE OF THE TOTAL VALUE OF COAL THAT IS PURCHASED FOR
27 GENERATING ELECTRICAL POWER IN THIS STATE.

28 2. AN ESTIMATE OF THE NET FISCAL IMPACT THAT THE CREDIT UNDER THIS
29 SECTION HAS ON COUNTY BUDGETS.